

IN THE UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF OKLAHOMA

W. A. DREW EDMONDSON, in his )  
capacity as ATTORNEY GENERAL )  
OF THE STATE OF OKLAHOMA and )  
OKLAHOMA SECRETARY OF THE )  
ENVIRONMENT C. MILES TOLBERT, )  
in his capacity as the )  
TRUSTEE FOR NATURAL RESOURCES )  
FOR THE STATE OF OKLAHOMA, )

Plaintiff, )

vs. )

TYSON FOODS, INC., et al, )

Defendants. )

4:05-CV-00329-TCK-SAJ

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THE VIDEOTAPED DEPOSITION OF  
ROBERT TAYLOR, PhD, produced as a witness on  
behalf of the Defendants in the above styled and  
numbered cause, taken on the 8th day of January,  
2008, in the City of Tulsa, County of Tulsa, State  
of Oklahoma, before me, Lisa A. Steinmeyer, a  
Certified Shorthand Reporter, duly certified under  
and by virtue of the laws of the State of Oklahoma.

**TULSA FREELANCE REPORTERS**  
**918-587-2878**

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1 risks that the companies bear in a vertically  
2 integrated business model?

3 A I agree that a lot of companies have gone out  
4 of business, but I don't have factual information on  
5 the reason.

10:31AM

6 Q And the whole notion is under vertical  
7 integration, the companies bear the market risk to a  
8 much greater degree; they've taken that market risk  
9 away from individual family farm chicken producers  
10 having to bear that risk; isn't that true?

10:31AM

11 A It is not. They've changed the risk. They  
12 haven't taken it away.

13 Q Doctor, are you familiar with the changes in  
14 contracts between Simmons Foods and its growers that  
15 have occurred in the last five, six years?

10:32AM

16 A Not details. I've looked through some of the  
17 contracts, not carefully, but most of the  
18 integrators have changed their contracts somewhat,  
19 of the contracts I've seen. These are not publicly  
20 available either but --

10:32AM

21 Q I guarantee they're available through  
22 discovery in this lawsuit.

23 A Well, I have a lot of those, okay, maybe all  
24 of them, I don't know. I have not taken the Simmons  
25 contracts and gone through and made a specific list

10:32AM

1 of what has changed and what hasn't.

2 Q Do you know that they have changed largely  
3 from what's been known in the industry as a  
4 flock-to-flock agreement, which may or may not  
5 actually be a flock-to-flock agreement, to long-term  
6 guaranteed contracts between the integrator and the  
7 grower?

10:33AM

8 A I know some companies have done that in some  
9 complexes, but I don't know what you mean by long  
10 term.

10:33AM

11 Q Seven years?

12 A Seven years is a common number.

13 Q Uh-huh.

14 A I mean of this small set of contracts that are  
15 not flock to flock.

10:33AM

16 Q Arrangements whereby under the terms of the  
17 contract the company is guaranteeing a relationship  
18 with the grower for a period of at least seven  
19 years?

20 A Correct.

10:33AM

21 Q All right, and you also know that a typical  
22 modern, say, eight-house complex, 40 by 400's with a  
23 residential dwelling, will cost two and a half  
24 million dollars?

25 A I'm not sure it's quite that high but I'll go

10:34AM

1 Q Would it also be fair to say that the grower  
2 has accepted the burden of doing that?

3 A On individual tracts of land, yes, but in the  
4 aggregate, that's a legal issue.

5 Q You'll agree with me that this lawsuit is 11:45AM  
6 about chicken litter; it's not about growing  
7 chickens; isn't that true?

8 A As far as I know.

9 Q Okay. Somewhere in your affidavit you talk  
10 about field service techs for the company. You 11:46AM  
11 understand what that system is all about?

12 A Yes.

13 Q Providing advice?

14 A (Witness nods head up and down).

15 Q Will you agree with me there's 168 hours in a 11:46AM  
16 week? Surely we can agree on that.

17 A Okay.

18 Q And do you know how many of those hours it  
19 would be typical for a field service tech to  
20 actually appear at a grower's farm? 11:46AM

21 A A couple of hours once a week would be  
22 typical.

23 Q So it would be typical then that somewhere  
24 around maybe 1 percent of the entire week or less  
25 the representative of Simmons Foods would actually 11:46AM

1 which they can clean out the house, and that's when  
2 it typically occurs is between flocks but not  
3 between every flock.

4 Q And what do you base your understanding on,  
5 that the companies require an annual cleanout, if 01:16PM  
6 that is your testimony?

7 A I'm not saying they require it on an annual  
8 basis, but they generally make recommendations, if  
9 not requirements, on specifically when it is cleaned  
10 out and when new litter is put in. 01:16PM

11 Q Really, and why do you believe that, because  
12 you read it someplace or seen it?

13 A I've read it and talking to growers and  
14 others.

15 Q Okay. You understood that dead birds are 01:16PM  
16 picked up on a daily basis in the house by the  
17 farmer and composted?

18 A Yes, generally.

19 Q So as I understand your testimony, the company  
20 determines when a grower will clean out the grower's 01:17PM  
21 chicken house?

22 A That is my understanding.

23 Q Paragraph 12, you state that because there's  
24 no open market for poultry ready for processing,  
25 there is no economically viable alternative for 01:17PM

1 commercial non-specialty growers who wish to be  
2 independent from integrators. Do those people  
3 exist?

4 **A** What do you mean? Do those people, you are  
5 referring to growers or --

01:18PM

6 **Q** Not -- commercial non-specialty growers who  
7 wish to be independent from integrators, do those  
8 people exist?

9 **A** There are certainly people out there  
10 interested in getting involved in agriculture at the  
11 production level if they think they can make money.

01:18PM

12 **Q** Let me get specific. I'm going to hold you to  
13 this.

14 **A** Okay.

15 **Q** Is there somebody in existence called a  
16 commercial non-specialty grower who wishes to be  
17 independent from integrators?

01:18PM

18 **A** There are potential growers who wish to be  
19 independent from integrators.

20 **Q** Who -- can you name me names or tell me where  
21 I can find these people?

01:18PM

22 **A** No. There's no waiting list as there is for  
23 people who want to become contract growers. I know  
24 of no waiting list, but certainly when I go around  
25 to ag meetings, there are people interested in

01:19PM



1 getting involved in agriculture or remaining  
2 involved in agriculture and knowing -- wanting to  
3 know how they might make money.

4 Q So is it true that the sole basis for your  
5 testimony in this regard is having talked to people? 01:19PM

6 A Yes, just knowledge of farmers and ranchers  
7 and potential farmers.

8 Q So there are people out there who would like  
9 to own chicken houses and be independent of an  
10 integrator and raise chickens; is that true? 01:19PM

11 A I believe it is.

12 Q So those people would have to go out and buy  
13 baby chicks and place them in their own houses and  
14 then to whom would they -- is that true?

15 A Yes. 01:20PM

16 Q Own their birds?

17 A Uh-huh.

18 Q And then to whom would those people sell those  
19 birds for processing; would they own their own  
20 processing plants? 01:20PM

21 A That's the issue. There's no open transparent  
22 market for broilers ready to be processed.

23 Q Is that a bad thing?

24 A Not necessarily.

25 Q Okay. Paragraph 13 you state, in the early 01:20PM

1 have them in the Record for sure?

2 A I can try. It takes a while to go through  
3 there but I can definitely get them. They are  
4 available -- the '06 one is available on a public  
5 web page that OSU has. 01:45PM

6 Q It probably won't surprise you to know that  
7 some other people are going to be looking at your  
8 testimony.

9 A No, that won't surprise me.

10 Q And in order for them to know what they're 01:45PM  
11 looking at, we got to know what we're looking at.  
12 That's all I'm asking, that they be identified with  
13 particularity.

14 A Okay. If -- I'm certain -- I think the '92  
15 one was in there. I'm certain that the '06 one is 01:46PM  
16 in electronic form on the CV you were given.

17 MR. RIGGS: They should be there, too.

18 Q Where did you get the information in No. 17,  
19 that the average size of a grower's operation in the  
20 IRW is approximately three to four houses? 01:46PM

21 A That's generally true of poultry in the whole  
22 United States, and I talked briefly to plaintiff  
23 attorneys, and they indicated that they felt that  
24 was correct.

25 Q And how many acres of land are owned by the 01:46PM

1 average grower in the IRW?

2 **A** I do not know. Educated guess would be a  
3 hundred to 150 acres.

4 **Q** Okay. What's the basis for your statement in  
5 No. 18 that farmers become commercial contract 01:47PM  
6 growers by invitation only?

7 **A** Well, as we discussed earlier, you can't go  
8 out and buy chicks and start producing them and have  
9 an open market in which to sell a broiler ready for  
10 processing. The way the system generally works is 01:47PM  
11 somebody who's within an area defined by the  
12 integrator, that person is interested in becoming a  
13 grower. They talk to an integrator representative,  
14 and most of them, I understand, maintain a list of  
15 people interested in becoming a grower, and so 01:48PM  
16 that's the only way to become a grower, is for the  
17 integrator to approve that person and to first  
18 generally put out a letter of intent, which is  
19 followed by a contract.

20 **Q** Yes, sir, but -- well, you'll agree with me 01:48PM  
21 that no one wants to do business with anybody who  
22 lacks integrity?

23 **A** Certainly.

24 **Q** And it's perfectly legitimate for poultry  
25 companies to determine the integrity of someone that 01:48PM

1 Q Tyson?

2 A Yes.

3 Q Simmons Foods?

4 MR. ELROD: No.

5 A No. Cargill and Tyson, yes. 02:49PM

6 Q So somewhere in there you draw a line?

7 A Yes.

8 Q Do you believe that Cargill is a threat to

9 democracy?

10 A Cargill itself, I have no reason to suspect 02:49PM

11 that.

12 Q Do you believe that Tyson is a threat to

13 democracy?

14 A Well, they've been convicted of bribing the

15 secretary of agriculture, but aside from that, I 02:49PM

16 don't see that they're a threat to democracy.

17 Q Sounds like democracy is working pretty good.

18 True or false: The American economic systems seems

19 to be slithering towards fascism?

20 A And I said that, and I'm going by the textbook 02:49PM

21 economic definition of fascism, fascism, and not

22 political definition, and it simply means the

23 corporate control of government, and I did say and

24 do mean that we're moving in that direction.

25 Q It's true since at least the early 1990's, 02:50PM

1 pro football players?

2 A That's a completely different kind of market  
3 that I don't want to get into.

4 Q What about Wal-Mart? I've read a quote of  
5 yours where you again quote that -- by Mr. Pinto and 03:19PM  
6 Hildred say that, quote, Wal-Mart is often held up  
7 as the model for successful supply chain management  
8 but that is -- that in some instances, Wal-Mart's  
9 behavior in purchasing from smaller suppliers  
10 approaches the dictatorial? 03:19PM

11 A At the time I agreed with that. I understand  
12 that that has changed somewhat in recent years.

13 Q Getting back to your Restoring Economic Health  
14 article, another one of the things you'd like to  
15 change to restore balance is to address what you 03:19PM  
16 call deceptive features in poultry contracts. Do  
17 you think Congress should pass a law telling  
18 contract poultry growers what kinds of contracts  
19 they can and can't sign?

20 A That would be a possibility, but it should be 03:20PM  
21 just in very broad terms.

22 Q In that Establishing Fairness article -- well,  
23 actually earlier today you testified that poultry  
24 growers don't have all the information they need to  
25 make a fully informed decision on whether they want 03:20PM

1 to be a poultry farmer; is that right?

2 A Correct.

3 Q Okay, and I think you fleshed that out in that

4 Establishing Fairness article. You said, quote, the

5 lack of objective public information on grower pay 03:20PM

6 and financial risk means that some uninformed,

7 gullible or overly optimistic individuals can be

8 lured into becoming contract growers.

9 A Yes.

10 Q The term you used to describe these people is 03:20PM

11 bubbas, isn't it?

12 A No, I didn't use that. Somebody else did.

13 Q You've adopted the term?

14 A I adopted that, yes.

15 Q I think when you were talking about bubba, 03:21PM

16 it's your Invisible Hand article. Quote, bubba only

17 need to look at income statistics for the upper 5 to

18 10 percent compared to the lower 40 percent to see

19 what is happening in America. The powerful

20 masquerading behind the invisible hand first picked 03:21PM

21 bubba's pockets. Now the hand has been clinched

22 into a corporate fist and bubba's way of life is

23 threatened whether he knows it or not. As I

24 understand your theory here, agricultural companies

25 abuse the free market to put bubba in jeopardy of 03:21PM

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1 Q You'll be further from achieving the goal that  
2 you've been trying to achieve?

3 A Under those assumptions.

4 Q In preparing for your work in this case  
5 specifically related to the PI, have you talked to 03:35PM  
6 any grower who is a poultry farmer in the Illinois  
7 River watershed?

8 A As far as I know, I never have. You know, I  
9 go to meetings here and there around the country and  
10 talk to farmers and ranchers, and there's a chance 03:35PM  
11 one of them attended that, but I have not had a  
12 one-on-one meeting with any grower.

13 Q And what were you hired to do with respect to  
14 this PI motion?

15 A I was asked to describe the industry and make 03:35PM  
16 a preliminary estimate of the cost of transporting  
17 litter out of the watershed.

18 Q Okay. If I read Paragraph 6 into the Record,  
19 it says that I have been retained by the Oklahoma  
20 Attorney General to evaluate the relationship 03:35PM  
21 between poultry growers and defendant poultry  
22 companies and to assess the economics of the poultry  
23 industry, including the cost of safely removing  
24 poultry waste, including used litter and dead birds  
25 from the Illinois River watershed. How do you 03:36PM

1 evaluate the relationship between one party to a  
2 contract and another party to a contract without  
3 ever talking to any of them?

4 A Throughout the industry the growers are not  
5 allowed to negotiate the contracts. It's a very 03:36PM  
6 one-sided arrangement.

7 Q But, see, we are talking about a specific  
8 geographic area.

9 A Yes.

10 Q And we are talking about specific companies. 03:36PM

11 A Uh-huh.

12 Q And they have contracts with specific people?

13 A Yes.

14 Q Okay, and you haven't talked to anyone at  
15 either one of these, either one of these parties; 03:36PM  
16 correct?

17 A Correct.

18 Q Okay. You haven't gone out to a grower's farm  
19 and asked them what they do in the Illinois River  
20 watershed with respect to their relationship 03:37PM  
21 between, for example, my clients on a day-to-day  
22 basis, have you?

23 A I have not.

24 Q Okay. You haven't asked them what their  
25 relationship is like with their service tech, have 03:37PM



1 you?

2 **A** I have not.

3 **Q** You haven't asked them what the relationship  
4 is like with respect to recommendations and  
5 suggestions of farm practices, have you?

03:37PM

6 **A** No.

7 **Q** Okay. You don't know whether or not growers  
8 who have contracts with Tyson Chicken, Tyson Poultry  
9 and Cobb actually listen to the service techs when  
10 they tell them something, do you?

03:37PM

11 **A** Not in this case, no.

12 **Q** Wouldn't a poultry grower be the best person  
13 to describe the relationship they have with the  
14 person they have a contract with?

15 **A** My role was to describe the overall industry  
16 and not those one-on-one relationships, but  
17 certainly the growers know about their individual  
18 relationship with their integrator.

03:37PM

19 **Q** All right. Would you agree with me that if  
20 poultry litter was no longer able to touch the  
21 ground in the Illinois River watershed, that its  
22 value would be zero in the Illinois River watershed  
23 from an economic standpoint?

03:38PM

24 **A** If it was not allowed to touch the ground?

25 **Q** Right.

03:38PM